

A work session of the Beaufort City Council was held on April 22, 2014 at 5:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling, Council members Donnie Ann Beer, Mike Sutton, and George O’Kelley, and City Manager Scott Dadson.

Mike McFee was absent.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

### **CALL TO ORDER**

Mayor Keyserling called the work session to order at 5:00 p.m.

### **DISCUSSION OF ISSUES RELATED TO MARINA MOU AND DEVELOPMENT**

Mayor Keyserling said that the memorandum of understanding is dated, and there are uncertainties. The plan is to look at the zoning process without discussing a particular project. **Libby Anderson** said the current proposal is for rezoning the Marina parking lot to Core Commercial. The public in attendance at council meetings and the Metropolitan Planning Commission took issue with rezoning in advance of having a plan for the property. Typically with a rezoning application, Ms. Anderson said, they don’t ask for a conceptual plan, and if there is one, they caution the rezoning authority against considering it because it won’t be “locked in.” That’s typical. This is not a typical rezoning application, however, Ms. Anderson said. For more specificity in the rezoning proposal, there are several ways to do it.

1. **A PUD** – The ordinance is set up to allow one. It requires a master plan and also a written narrative with it to explain the plan. That would lend specificity to the proposal. Only the uses outlined in the PUD and the report are permitted; it’s a site-specific zoning ordinance for the property. The city has tried to move away from PUDs in recent years because they are cumbersome to administer. Other problems that may come up are that not everything is covered, and things can come up unexpectedly. The PUD ordinance is dated somewhat, Ms. Anderson said. There’s some mention of a 25’ buffer; it was conceived to address greenfields, not urban infill, so they need to make sure it’s up to the needs of a complex urban development.
2. **Add more specificity to the memorandum of understanding itself** – Council could be more active in the review and approval of the development and design before they move on to the Historic District Review Board phase. The council could be the approval authority before it moves on. The city is the owner, not the developer, but they could play more of a role of the owner/developer, which in this unusual situation may be appropriate.

Mr. Dadson said council last week said not to move to first reading and for staff to come to council with information for ideas about how to move forward. Staff suggests that the issues are design, mass, scale, use, public vs. private space, etc., so Ms. Anderson and staff have proposed the processes above.

Mr. Dadson said in regard to the memorandum of understanding and commitments, the developer is responsible for the design, and the review process would change. The Redevelopment Commission's commitment in the memorandum of understanding would stay the same, and the city would give approval as part of the normal process from which no one will be excluded (Historic District Review Board, etc.)

Ms. Anderson said with the PUD option, they would need to start over with the application, which is currently for Core Commercial. They would have to go back to the Metropolitan Planning Commission and would have to propose the PUD.

Councilman Sutton said he's opposed to any PUDs in the City of Beaufort. He said the public is opposed to rezoning. Could the developer do a plan that the public could live with? he asked. JV said it's 'a continuing process.' He said at the meetings the developers had, those who attended weren't as vocal as the ones whom council has heard. He feels that 'there is room to work here ... There has been a lot of public feedback to take into account.'

Mayor Keyserling said he's disposed not to move forward with rezoning. They have an existing memorandum of understanding that doesn't work and needs to be corrected to protect the city and the developer and then move forward. He thinks they shouldn't vote until there's a clear process in their own minds and that they've given to the developer, so it makes no sense to move forward.

Councilman Sutton said Mayor Keyserling has no support from Councilman Sutton and Councilman O'Kelley for Core Commercial zoning, so he asked why they are talking about rezoning. He feels 'a light has been shed on how the property benefits the core downtown,' and he doesn't support Commerce Park zoning. They have a lot of new information, and the thinking he had 'was not what the citizens want,' so he would support alternative uses for the property. He doesn't support rezoning and doesn't want to take it any further until they know what the public wants.

Councilman O'Kelley said he looked at the community development law in regard to the set-up for a Redevelopment Commission. He quoted the law in regard to a redevelopment commission and that they are 'not to acquire property until they have a plan.' The redevelopment plan shall include the boundaries of the project, a land use plan with proposed uses, standards of density, intensities, etc., a preliminary site plan, a statement of changes to streets, costs, and proposed changes in zoning, and a feasibility statement.

JV said there's no intent to show a plan that [At this point, there were many argumentative overlapping conversations, rendering any one person's contribution incomprehensible.] Mayor Keyserling said until there's a proposal, he proposes they stop. Staff needs direction because the process has started. They listened to the public at the public hearing. Mayor Keyserling thinks they are talking about the wrong things. The Redevelopment Commission and the council haven't done a good job educating the public as to the reason for a Civic Master Plan

and the need to redevelop the city. The per capita income in the city has dropped by \$8000 per person in the last 10 years, the population has dropped by a couple hundred people in 14 years, and the income of individuals has dropped as well. Mayor Keyserling said the capital sales tax could be gotten to build **Sasaki**. They are 6.5% below where they expected to be, owing to a county miscalculation. They can't raise taxes or business license fees, and introduce fees, because they are considered taxes. They 'have cut the fat,' Mayor Keyserling said. They tried 'crazy annexations' in the past that have caused many problems, so they decided to grow the city by looking to generate activity through public land. They did the Civic Master Plan for this reason, but the real issue is "are we going to grow the city or are we going to shave the services back...and not have the city we want?" *plus* having property taxes go up.

Mayor Keyserling thinks the council has to start at square one and discuss the financial situation of the city; it has to be grown to make the city financially sound. If the financial underpinnings of the city aren't gotten in shape, he said, the case hasn't been made about Beaufort growing and "being the hometown we want." The reason they did the Civic Master Plan was because there has to be a financial underpinning for the city, or people will move out of the city, and the city will continue and to have 12,000 low- and middle-income people "support that little piece of land." The county miscalculation leaves them 6.5% short, he reiterated.

Mayor Keyserling went on to describe the efforts that had been made and thwarted in their efforts at projects because 'everyone in the community doesn't like something.' The goal has to be to make the city viable and to get this out in front of the public and talk about why they did a Civic Master Plan. He feels they should do 'small, uncontroversial projects to build the tax base and the number of people living in the city in Beaufort.' If they don't stop the outflow, they will not be able to maintain the Waterfront Park they have today.

Councilman O'Kelley said 'the LOST is hiding under a barrel.' To some people, the redevelopment of the Marina parking lot is a silver bullet, and for some, the LOST is a silver bullet.' But with either or both, they still need to grow the city.

**Lila Meeks** said she had no idea they were losing population in Beaufort. It seems to her as if the city's growing. She asked why they're leaving. Mayor Keyserling said for the last decade, people have been in a culture of not wanting to live in town, not wanting to shop at smaller shops. They have lost downtown, and they have lost people. So to get downtown back, they need to get people back. Taxes, by and large, are higher in parts of Beaufort, and this has been happening all over the country. But they're \$600,000 short; people who live in Mossy Oaks, not downtown, and shop at big boxes, not downtown. Dataw's developer invested *because* of downtown, but the retail is not viable unless there are lots of tourists, so people and businesses moved out.

**Maxine Lutz** said they focus so much on downtown, and she asked if there is hope for the Commerce Park. They have 3 prospects, Mayor Keyserling said. One came but decided to go back because the city they came from gave them a building and workers, 'and Beaufort was giving them nothing.' These things don't happen fast, Mayor Keyserling said, and if businesses

see that the city's income and population is shrinking, they don't want to come here. Councilman Sutton said people think that the city shouldn't have bought the Commerce Park, which is incorrect: 'It's about jobs and keeping people here.' People that would work there might not live in the city; the business would not give a big chunk of taxes and solve the city's woes. None of this had to do with rebuilding the city, Councilman Sutton said; it's something that has to be done for job development. Mayor Keyserling said they spent the money on the Commerce Park because it is the only piece of land that is zoned Industrial. Two businesses there are growing. People looking to bring business look at a community, and they look at schools, and a city that is shrinking is not desirable.

Councilman Sutton said there is a problem with the way government is set up in general and this council can't solve it. They have public meetings several times a month, and the only time people show up is when they are concerned about a particular issue, he noted. People don't engage leadership until there's a problem, and then plans stop. The local and regional problems are not as easy to see as it appears. The regional and national issues affect why council does things.

Mayor Keyserling said worker's comp increases this year: **Kathy Todd** said by 75%. Mayor Keyserling said, 'and that's if you stand still.'

**Kathy Lindsey** brought visual packets for distribution about the Waterfront Park and the Marina parking lot from the Civic Master Plan. Ms. Lindsey said 'the public needs to educate council about the process and everything.'" She showed what she said the city had put forward as the project site. The third parcel is the Contemplative Garden, and she showed the "fancy renderings for that parcel." She showed the requests for the letters of intent to developers. She again pointed out parcel #3. Mayor Keyserling said parcel #3 was taken out of the zoning map. Ms. Lindsey said she didn't care. The area is federally protected for outdoor recreation in perpetuity, she said, and if parcel #3 is developed, the city will incur a penalty based on fair market value. The boat ramp is also federally protected. In keeping it open, there must be adequate access and parking. The Secretary of Interior would make the city come up with a land swap if they want to use parcel #3, Ms. Lindsey said. If they didn't, the city would be exposed to a \$3 million liability. She said they must grow, but with the citizens' confidence and input. She thinks 'the citizens and city should work closer together to protect our assets.'

Councilman Sutton said when renovations and maintenance happen on protected sites, it doesn't say you can't put a building there. Ms. Lindsey said there can be a building but not on this parcel. The federal regulations are very strict, and when the Waterfront Park was developed, they had to assure that they wouldn't enclose a part of it. They can do the land swap if they have something to swap. The marina store, from what she read, is outside the boundaries now, but they couldn't put the store on parcel #3.

**George Trask** said the ICW was dredged because a lot of barges went up and down the Beaufort River. The dredger squirted out dredge into the marsh and destroyed it in the 1950s. He vowed then that nothing else like that would happen, except for the Marina parking lot.

'And every time it comes up, the citizens kill it,' he said. When the Waterfront Park was conceived, they wanted to incorporate the Marina parking lot into the park, but they would have had to create new parking, and the city's proposal was to dredge again and take out more marsh further up the bay. Mr. Trask said 'the elected officials are not going to have what **Jim Chaffin** and you want there.'

**Will Achurch** said he's unsure what most people are so opposed to. He thinks they should seek the Marina parking lot's highest and best use: he sees cars, buses, and buildings, and smells horse urine; when there's rain, it drains from the parking lot into the river mixed with the detergents, horse urine, dirt and oil from the parking lot. Mr. Achurch is curious 'about what you are trying to protect.' The parking lot could be elsewhere in the city. They are opposed to a plan they haven't seen yet, he added. He suggested those in opposition see what the plan is before they argue their points. Mr. Achurch said people his age feel this way but can't come to the meetings because they are busy living their lives and raising families, etc.

Mayor Keyserling said this isn't a public hearing. The question is what council would like staff to do. They need clarification on what to do on the outdated memorandum of understanding. Mr. Dadson said that's what they have presented to council. The process is important. That's what he suggests they do. There are other issues to be dealt with in the process, but there needs to be some way to move forward. They have these two ideas and council needs to debate which one might work.

Councilman Sutton said he wouldn't support private use on public land, so the developer shouldn't have to spend money to design a plan. That area wasn't finished years ago with the Sasaki plan, and he thought that would be 'folded into' this plan. They would have to look at the federal regulations.

Councilman Sutton asked if the Redevelopment Commission 'could indicate that they know about all these things, and the developer can present a plan that incorporates all these things.' The developer talked to lots of people, Councilman Sutton said, and the public hearing indicates that there is a lot to think about. They realize that there are alternatives, and the developers are here because they were asked to be and because there's a Civic Master Plan. This is still the listening period, he said, and there was no intent to present a plan. The piece may not be developable because it is smaller than they thought.

Councilman O'Kelley said his direction is that staff and Redevelopment Commission should look at the enabling statute that he cited.

**Bernie Schein** said that he hears that the issue is a revenue shortfall and that should be the focus. He said that the Marina parking lot issue should be put to rest, and they should focus on how to get the revenue. He said someone will be ticked off whatever they do, but they know if they screw with Freedom Mall, they will "tick off people on other planets." If they give it no more attention, they can focus on getting the \$600,000 they need. He appreciates how responsive council is, he said.

Mr. Trask said the memorandum of understanding is not legally binding. Either side could walk away. He claimed that the “universe” is opposed to redevelopment in this area. Councilman Sutton said that most people recognize that there is work to be done there. There need to be ways to make changes and ways to make them happen, e.g. the Sasaki Plan. Councilman Sutton said they needed 500 new single-family residences in the Sector One area as a baseline measurement of 4% properties, for infill. Mayor Keyserling said parking lots have been built by not-for-profits and aren’t taxable. Mayor Keyserling said they ‘need to move on to something they can do.’

**Edie Rodgers** said debt service is never mentioned, and the citizens ‘need to see a chart about how much money is being paid on debt service.’ She’s heard \$400,000 for Waterfront Park. The shortfall of \$600,000 ‘isn’t so large,’ she feels. Ms. Rodgers feels that if they looked at what they could sell and get rid of the debt service, not to mention what they spent on the Civic Master Plan, the shortfall would be solved.

The redevelopment of Marina parking lot ‘is about saving the view,’ Ms. Rodgers told Mr. Achurch. Councilman Sutton asked ‘who’s left to pay for’ what Ms. Rodgers suggests. People who don’t want to pay a penny sales tax creates ‘a continuous cycle of not solving problems.’

Ms. Rodgers said the Sasaki Plan has a plan for boat parking. **Conway Ivy** asked if they have looked at restructuring the city’s debt. Mayor Keyserling said they did that last year, and that’s how they got a handle on the Waterfront Park. Councilman Sutton said in regard to city finances, the citizens are better off now than ever in terms of the ability to read and understand documents. The budget in the last 7 years has been much easier to read, and now councils have the ability to understand things like a debt mill, for example. Prior mayors drove taxes down to get elected. He described things that debt service has paid for and is paying for. Councilman Sutton said this is the kind of public debate that allows conversation, not “posturing.” They need challenging civil debates.

Mayor Keyserling said workshops are his favorite part of being mayor. Councilwoman Beer said she and Ms. Rodgers as council people went over the budgets and decided what should and shouldn’t be cut back in the day, ‘and that was scary because none of them are accountants’ and they didn’t know how to deal with money. In the twenty-first century, ‘they hired people who knew what they are doing,’ Councilwoman Beer said. The CAFIR is online and transparent. Ms. Lindsey asked if the money expended for the Lawrence Group is online in one place, and Mr. Dadson said the certified audits and CAFIRs are there.

Mr. Trask said he has ‘no confidence that I will get the information I want from the government’ and he believes he will have to FOIA it. He urged ‘Mr. Dadson and the staff to respond transparently and as quickly as possible to requests for information that come their way.’

Mr. Schein said he was shocked when Ms. Todd said worker’s comp was going up 75%. Obviously there are more issues like that. He thinks if they were going to focus on getting

revenue, it would be good if they had a list of what they need the money for and how they can get the money.

**EXECUTIVE SESSION**

Pursuant to Title 30, Chapter 4, and Section 70 (a) (2) of the South Carolina Code of Law, **Councilwoman Beer made a motion, second by Councilman O’Kelley, to enter into Executive Session for the purpose of receipt of legal advice. The motion passed unanimously.**

A regular meeting of the Beaufort City Council was held on April 22, 2014 at 7:00 p.m. in the Beaufort Municipal Complex, 1901 Boundary Street. In attendance were Mayor Billy Keyserling and council members Donnie Ann Beer, Mike Sutton, and George O'Kelley.

Mike McFee was absent.

In accordance with the South Carolina Code of Laws, 1976, Section 30-4-80(d) as amended, all local media were duly notified of the time, date, place, and agenda of this meeting.

**Councilman O'Kelley made a motion, second by Councilwoman Beer, to come out of Executive Session and enter the regular session. The motion passed unanimously.**

#### **CALL TO ORDER**

Mayor Keyserling called the meeting to order at 7:00 p.m.

#### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Councilwoman Beer led the invocation. Mayor Keyserling led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

Ms. Rodgers said she commended the Public Works department or The Greenery for the beautiful flowers in the medians.

#### **PROCLAMATION OF PVT. HAYWOOD TREADWELL COMMEMORATION WEEKEND**

**Councilman O'Kelley made a motion to approve the proclamation, second by Councilwoman Beer. Councilwoman Beer read the proclamation.**

#### **CERTIFICATE OF ACHIEVEMENT RECOGNITION FROM GOVERNMENT FINANCIERS OFFICER ASSOCIATION**

Ms. Todd said the City of Beaufort received the certificate of achievement for its comprehensive annual financial report, which is the highest achievement a government and its management can achieve. She went on to detail the benefits of the achievement and detailed what the CAFIR contains. For the security market, being a participant in the GFOA program makes bond ratings higher.

#### **MINUTES**

**Councilman Sutton made a motion, second by Councilman O'Kelley, to approve the minutes of the work session and regular meeting April 8, 2014 as submitted. The motion passed unanimously.**

#### **ORDINANCE REVISING PART 3, CHAPTER 3 OF THE CODE OF ORDINANCE TO ESTABLISH A PARK AND TREE ADVISORY COMMISSION**

**Councilwoman Beer made a motion, second by Councilman O'Kelley to approve the ordinance on second reading. The motion passed unanimously.** Mayor Keyserling asked Ms. Anderson if the board had determined a number of members that was agreeable. Ms.

Anderson said they did at their meeting and at the work session.

**ORDINANCE AMENDING TITLE 8 CHAPTER 2, OF THE CITY CODE OF ORDINANCE PERTAINING TO PARKING TIME LIMITATIONS, AREAS AND RATES WITHIN THE CITY OF BEAUFORT**

**Councilwoman Beer made a motion, second by Councilman Sutton, to approve the ordinance on second reading.** Mr. Dadson said this ordinance change pertains to the spaces in front of the Chamber of Commerce Visitors' Center being made into 90-minute spaces and the added 7 spaces on Charles Street and the rates for parking in them. Ms. Lutz suggested they say 'the 700 block of Craven Street' instead because the Chamber of Commerce often moves. **Councilman O'Kelley made the motion to amend, seconded by Councilwoman Beer. The motion passed unanimously. The original motion passed unanimously.**

**REQUEST FROM THE MEMORIAL DAY COMMITTEE TO HOST ANNUAL MEMORIAL DAY PARADE**

**Councilwoman Beer made a motion, second by Councilman Sutton, to approve the request for the May 26 event. Ivette Burgess said it's the traditional parade route. The motion passed unanimously.**

**APPOINTMENT TO BOARDS AND COMMISSIONS**

**Councilman Sutton made a motion, second by Councilwoman Beer to appoint Quinn Peitz to the Historic District Review Board in the position Michelle Knoll vacated. The motion passed unanimously.**

**Councilman Sutton made a motion, second by Councilwoman Beer, to appoint Chuck Syme and Barbara Laurie to the Historic District Review Board. The motion passed unanimously.**

**Councilman Sutton made a motion to extend the term of Joel Newman to the chairmanship of the Historic District Review Board. Second by Councilman O'Kelley. The motion passed unanimously.**

**Councilman Sutton made a motion, second by Councilwoman Beer, to place Barb Farrior, Michael Brock, Jim Arnett, William Waskiewicz, and Brian Hoffman on the PTAC. The motion passed unanimously.**

**MAYOR'S REPORT**

Mayor Keyserling had a wonderful trip to China.

**REPORTS BY COUNCIL MEMBERS**

Councilman Sutton suggested the public look at the managed harbor as the mooring field goes in.

**ADJOURNMENT**

There being no further business to come before City Council, **Councilwoman Beer made a motion to adjourn, seconded by Councilman Sutton. The motion was approved unanimously,** and the meeting was adjourned at 7:23 p.m.

ATTEST: \_\_\_\_\_  
IVETTE BURGESS, CITY CLERK